

RECORDATION NO. 26967-^B_{FILED}

MAY 31 '07 -1 1 5 PM

ALVORD AND ALVORD
ATTORNEYS AT LAW
1050 SEVENTEENTH STREET, N.W.

SURFACE TRANSPORTATION BOARD

SUITE 301
WASHINGTON, D.C.

ELIAS C. ALVORD (1942)
ELLSWORTH C. ALVORD (1964)

20036

OF COUNSEL
URBAN A. LESTER

(202) 393-2266

FAX (202) 393-2156

E-MAIL alvordlaw@aol.com

May 31, 2007

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
395 "E" Street, S.W.
Washington, D.C. 20423-0001

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two (2) copies of an Memorandum of Mortgage, dated as of May 31, 2007, a secondary document as defined in the Board's Rules for the Recordation of Documents.

The enclosed document relates to the Memorandum of Car Hire Lease Agreement previously filed with the Board under Recordation Number 26967 and the Assignment and Assumption Agreement being filed with the Board under Recordation Number 26967-A.

The names and addresses of the parties to the enclosed document are:

Debtor: Babcock & Brown Rail Funding LLC
1 Dag Hammarskjold Plaza
885 Second Avenue, 49th Floor
New York, New York 10017

[Secured Party: Bayerische Hypo-Und Vereinsbank AG, Agent
FPA 4 Lease/Asset Finance
Am Tucherpark 1 (FPA)
80538 Munich
Germany]

Mr. Vernon A. Williams
May 31, 2007
Page 2

A description of the railroad equipment covered by the enclosed document is:

100 articulated double-stack container cars: AOK 58140 - AOK 58239.

A short summary of the document to appear in the index is:

Memorandum of Mortgage.

Also enclosed is a check in the amount of \$35.00 payable to the order of the Surface Transportation Board covering the required recordation fee.

Kindly return stamped copies of the enclosed document to the undersigned.

Very truly yours,

A handwritten signature in black ink, appearing to read 'Robert W. Alvord', with a long horizontal stroke extending to the right.

Robert W. Alvord

RWA/sem
Enclosures

MAY 31 '07

-1 1 5 PM

SURFACE TRANSPORTATION BOARD

MEMORANDUM OF MORTGAGE


Memorandum of Mortgage, made and entered into as of May 31, 2007 between **BABCOCK & BROWN RAIL FUNDING LLC** (the "Debtor") and **BAYERISCHE HYPO-UND VEREINSBANK AG**, as Agent under the Security Agreement referred to below (together with its successors and permitted assigns, the "Secured Party"). Terms used in this instrument have the meanings assigned thereto in the Amended and Restated Security Agreement dated as of October 18, 2002 (as supplemented, including by Security Agreement Supplement No. 55 dated the date hereof, the "Security Agreement") between the Secured Party and the Debtor.

WITNESSETH:

The undersigned and the Secured Party have entered into the Security Agreement, by which the Debtor has granted a security interest in certain railroad equipment bearing reporting marks and road numbers as listed on Exhibit A attached hereto and in each lease referred to on Exhibit B attached hereto to the Secured Party in order to secure the Debtor's performance of its obligations as described in the Security Agreement.

IN WITNESS WHEREOF, the party hereto has caused this memorandum to be duly executed by its officer duly authorized as of the date and year first above written.

**BABCOCK & BROWN RAIL FUNDING
LLC**

By 
Name: Larry Littlefield
Title: Vice President

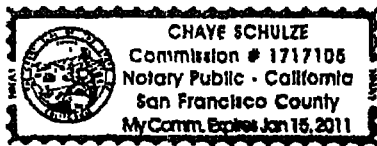
STATE OF CALIFORNIA

COUNTY OF San Francisco

)
) ss.:
)

On May 30, 2007, before me, Chaye Schulze, Notary Public, personally appeared Larry Littlefield, personally known to me to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

WITNESS my hand and official seal.





Notary Public

Memorandum of Mortgage

NEWYORK/179507 1

Exhibit A
to Memorandum of Mortgage

EQUIPMENT

<u>Lease #</u>	<u>Lessee</u>	<u># Cars</u>	<u>Year Built</u>	<u>Manufacturer</u>	<u>AAR Code</u>	<u>Description</u>	<u>Reporting Marks</u>	<u>Casualty Marks</u>
1	The Kansas City Southern Railway Company	100	2007	Gunderson LLC	S160	Five-unit articulated double-stack container cars with 40' wells, 70-ton end trucks and 125-ton intermediate trucks ("Maxi-I" cars), and with estimated GRL between 801,500 and 801,700 lbs.	AOK 58140-58239, inclusive.	None

LIST OF LEASES AND OTHER OPERATIVE AGREEMENTS

Car Hire Lease Agreement dated as of May 15, 2007, and effective as of February 1, 2007, between Greenbrier Leasing Company LLC and The Kansas City Southern Railway Company.

Rider No. 1 to Car Hire Lease Agreement entered into as of May 15, 2007, and effective February 1, 2007, between Greenbrier Leasing Company and The Kansas City Southern Railway Company.

Memorandum of Car Hire Lease Agreement entered into as of May 15, 2007, and effective February 1, 2007, between Greenbrier Leasing Company LLC and The Kansas City Southern Railway Company.

Bills of Sale dated as of January 31, 2007, February 15, 2007, February 28, 2007, March 15, 2007 and March 31, 2007 from Gunderson LLC to Greenbrier Leasing Company LLC.

Purchase Agreement dated as of May 31, 2007 between Babcock & Brown Rail Funding LLC and Greenbrier Leasing Company LLC.

Bill of Sale dated May 31, 2007 from Greenbrier Leasing Company LLC to Babcock & Brown Rail Funding LLC.

Together with all substitutions, replacements and renewals of the property above described, and all property which shall hereafter become physically attached to or incorporated in the property above described, whether the Debtor now has rights therein or such rights shall hereafter be acquired by it.

CERTIFICATION

I, Robert W. Alvord, attorney licensed to practice in the State of New York and the District of Columbia, do hereby certify under penalty of perjury that I have compared the attached copy with the original thereof and have found the copy to be complete and identical in all respects to the original document.

Dated: _____

5/31/07



Robert W. Alvord